

**SUMMARY OF MAJOR CHANGES TO CHAPTER 31
DOD 7000.14-R, VOLUME 7B
MILITARY PAY POLICY AND PROCEDURES FOR RETIRED PAY**

New and revised instructions are indicated by a star placed immediately before the new or revised section, paragraph, subparagraph, decision logic table, etc.

Page	Paragraph	Explanation of Change/Revision	Effective Date
31-3	Deleted paragraph 310302 and renumbered	IC R16-97 updates previous Comptroller General and General Accounting Office References. (IC R4-99 supercedes this change)	Jun 30, 1996
31-1 through 31-2	3101, 310203, 3103, 310302	IC R4-99 updates settlement of arrears for annuitants.	Feb 24, 1999
31-1 through 31-2 31-3	3103 Bibliography	IC R9-00 updates settlement of arrears for retirees.	Feb 13, 2000

Interim changes R16-97, R4-99, and R9-00 are incorporated in this chapter.

CHAPTER 31

DEATH OF SURVIVOR ANNUITANT

3101 ARREARS OF ANNUITY

★ *This chapter refers to the settlement of the arrears of an annuity where the annuitant is a spouse with no eligible child annuitant, the last remaining child annuitant, or a natural person with an insurable interest. Arrears of an annuity may result from checks not having been negotiated before the annuitant's death or failure of the Secretary of the Military Department concerned (or designee) to establish and make payment of an annuity to which entitlement exists. Payment of the arrears of the annuity under Retired Serviceman's Family Protection Plan (RSFPP), Service Benefit Plan (SBP), and minimum income widower (MIW) provisions of the SBP law is made by the Department of Defense Finance and Accounting Service - Denver Center, in accordance with the procedures in section 3103, below. (IC R4-99)*

3102 DOCUMENTATION

To settle the arrears of annuity, the listed documentation must be on file:

310201. Copy of death certificate. A notification of death from any source (next of kin, post office, or neighbor) is sufficient to suspend future payment of the annuity.

310202. A written claim over the signature and address of the claimant or of the claimant's authorized agent or attorney.

★ 310203. *Proof of recoupment of outstanding payments. All outstanding checks or direct deposits (not negotiated before the annuitant's death or forwarded past the date of entitlement) or the proceeds thereof must be returned to the DFAS-Denver Center before a settlement of arrears of annuity may be made. (IC R4-99)*

3103 PAYMENT OF THE ARREARS

★ *The annuity is not prorated for the month of the annuitant's death. Entitlement stops as of the last day of the month before the date of the annuitant's death. When all documentation is received, payment of the arrears is made to the person living on the date of the annuitant's death who is highest on the order of precedence set forth in paragraph 300104.A.6. For the purpose of payment of the arrears of an annuity under this section, the provisions of subparagraph 300104.C, D and E apply, and all references to a "retiree" in subparagraphs 300104.A.2*

through A.6, C, D, and E should be considered as referring to the deceased annuitant rather than a retiree. (IC R4-99, IC R9-00)

310301. Any indebtedness resulting from the overpayment of the annuity (for example, overlap of SBP and DIC, payment made beyond date of entitlement or miscalculations) must be liquidated before arrears of the annuity can be settled. Debts of the member, other than for delinquent costs for RSFPP or SBP, may not be offset against the arrears of the annuity.

★ 310302. *A claim for arrears of annuity must be filed within the 6-year statute of limitation restriction. However, when the person otherwise entitled to payment has not submitted a claim and cannot be located within 3 years after the death of the annuitant, payment may be made on a claim by the person or persons in the same class of entitlement, or in the absence of anyone in the same class, by the person or persons next in the order of precedence. (IC R4-99)*

3104 TAXABILITY

The retired pay activity issues one or more TD Forms W-2P (Statement for Recipients of Annuities, Pensions, or Retired Pay) in case of deceased annuitants. If arrears of annuity are not paid, the retired pay activity issues one TD Form W-2P in the decedent's name. If arrears of annuity are paid, an additional TD Form W-2P is issued to each claimant to whom the arrears were paid.

Chapter 31-Death of Survivor Annuitant

★(IC R9-00)

3103-Payment of the Arrears

10 U.S.C. 2771

310303

4 CFR, 34.3 1977 Edition,
Section q of the Act of
Oct 9, 1940,
54 Stat 106
31 U.S.C. 3702(b)